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CENTRAL INTELLIGENCE AGENCY
WASHINGTON, D.C. 20505

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14 OCT 1966

MEMORANDUM FOR: Director, National Reconnaissance Office

SUBJECT : Present Requirements Above FY 67 Initial Funding

REFERENCE : Memo from D/NRO to D/Recon/CIA; Dated 28 June 66; Subject: "Initial Program Approvals FY 67"

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1. The referent memorandum contains the initial funding authorizations for OSA projects for FY 1967. These initial authorizations were substantially below the levels approved in the Presidential Budget. We have now completed our review to determine the probable impact of the reductions on the operating programs, and have listed below those line items which we feel must be funded at levels higher than those authorized. In several areas you have indicated that the initial allocations are based on FY 1966 obligations, and that additional funds will be made available during the course of FY 1967 if experience factors validate the need. We are not asking for reconsideration of those specific items at this time. In this memorandum we are proposing increases only in those instances where (a) the current level of effort will clearly require more funds than presently authorized, or (b) a given effort should not be undertaken unless we are sure that there will be sufficient funds to complete the job.

2. In requesting a partial restoration of the earlier reductions, we do not suggest that there will be a total obligation of the larger amount. We have every intention of reducing costs to an absolute minimum during the year, and we hope to realize savings which can be reallocated to unprogrammed activities which are of a high priority in both the Agency and the Air Force. While we are confident that savings will be identified during the next eight months, we believe that it would be a mistake to establish unrealistically low planning levels this early in the year.

3. Our discussion below is keyed to the budget outline to which the referent memorandum responded.

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GROUP 1
Excluded from automatic
downgrading and
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NRO review(s) completed

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I. LOCKHEED SERVICE CONTRACT. The scope of work required to support the OXCART program is greater than that allowed by the original funding. Of particular concern at this point are Categories VI and VIII. Conferences are being held to determine the exact scope of work requirements and the funding necessary to support this operational requirement. The conferences will not be able to determine the exact requirements for Categories III, V, VII, IX, and X, and those particular categories will be monitored very closely to determine the trend of expenditures, so that a supplemental request will be forthcoming if deemed necessary. Tentative planning is that a determination could be made around the first of the calendar year. We will report as soon as possible so that essential work will be not interrupted.

II. P&W ENGINE SUPPORT. We accept the sums allocated to this category until we determine the actual flying hours experience. We will follow these three line items closely and report to you if we find the trend to be above the total [] allocated.

III. GUIDANCE.

A. Auto Pilot. No comment at this time.

B. INS/330 System. This will be the subject of a separate memorandum after we have assessed our H-330 and H-390 requirements and options in greater detail. In the meantime, [] is required to provide spares for the H-330 systems already in use.

C. [] No comment at this time.

IV. CAMERAS.

A. Eastman Kodak. The determination of which camera type will best meet the operational need is being held in abeyance until completion of Type I and Type IV camera validation. It is of interest to note that Type II is the one configuration in our inventory that has the capability to produce convergent stereo photography. (Note: Type I and Type IV produce stereo by overlap photography.) The inherent advantage here is greater accuracy in measurement of height and elevation. Type II is also the only configuration that could be utilized simultaneously with the Gamma spectrometer and would allow us to fly a dual capability mission, should such mission be required. In any event, it will be necessary to maintain the Type II capability at least through the end of FY 67, and therefore it is requested that Eastman Kodak be funded for this period. You will be advised as soon as a final determination is made as to camera operational requirements. It is requested that an additional [] be provided to support this effort.

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B. Hycon.

1. Technical Representatives. With the increased validation testing and the planned operational use of this Type IV camera system, we feel it is mandatory to provide funds for the [] representatives requested. We are budgeting less than [] per man, and feel that the [] is reasonable. To delete any of these persons would reduce the reliability of the Type IV system. We therefore request that the allocation be increased to []

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2. Spares, Mod Kits. We believe that [] is mandatory to supply the necessary spares to support the three Type IV systems. Increased testing and validation dictate spares usage, and we must further complete the initial provisioning. This also includes [] for the two additional Baker lenses for these cameras. In this case FY 66 data is not representative of what FY 67 costs will be. We believe the amount requested [] is our minimum requirement.

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3. Overhaul & Factory Engineering Support. It is felt that the [] cut from [] leaves this camera system in an extremely marginal position for the necessary engineering and overhaul support which will be necessary during and immediately following the test flight and operational validation of this system. Deficiencies which are identified during the flight test operations must be remedied. We must therefore request the full []

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C. Perkin-Elmer. No comment at this time.

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4. SUMMARY. A summary of the funds required for OXCART at this time is as follows:

<u>Line Item</u>	<u>Approval</u>	<u>Requirement</u>	<u>Reclama</u>
LAC			
P&W			
Guidance			
Cameras			
Airborne Electronics			
<div style="border: 1px solid black; width: 100px; height: 20px;"></div>			
Pilots			
Construction, O&M			
TOTALS			

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The requests outlined above are for immediate requirements only. As the year progresses we will submit further requests if required to support the various programs. You will be advised of trends during the year so that you can further adjust funding as necessary to meet the operational requirements.

5. The following comments pertain to the IDEALIST portion of the Budget Approvals:

I. LOCKHEED.

A. Technical Representatives. We believe the cut from is most serious. Our FY 66 funding for this line item, including the training under SP1923, came to a total of . We have now implemented the optimum features of AFM-66-1 for the application of strong maintenance management, and control and direction of the maintenance in the Detachments. It includes the flexibility of sustaining an on-call, 7-day-a-week concept for staging operations. Our aircraft losses during FY 66 have resulted in insistence that our aircraft maintenance be of the highest quality, and that no effort be spared to insure that our vehicles are consistently equipped and maintained at "peak" operational status. Reductions at this time would jeopardize the operational use of the IDEALIST vehicles. We strongly urge that the budget be established at the level recommended.

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B & C. Spares & Mod Kits and Overhaul & Engineering. These two line items are intertwined, and modification at times includes the use of spares, and the spares are then charged to this account. During FY 66 [] was obligated and expended for this effort. Further, certain scheduled installations and several product improvement projects were deferred until FY 67 because of a shortage of funds in the Lockheed line item. We must maintain a spares support posture that is responsive and flexible enough to meet our operational demands. Reducing our spares and overhaul funds would have the effect of reducing the IDEALIST program to a dormant state as a result of obsolescence, wear and tear, and related consumption factors. It is requested that these two line items be increased to a total of [] for the present, and, if our trend of expenditures proves to be higher, we will return with a supplemental request.

D. Conversion to J-75 Engine Configuration (SP-1926). It is noted that although the Air Force will fund for the conversion of the aircraft to accomodate for the J-75 engine, the conversion does not make provision for all the items required by us. The differential cost will be [] per conversion, and we are now forecasting 3 conversions during the fiscal year for a total of []

II. CAMERAS.

A. Hycon.

1 & 2. Technical Representatives. It is imperative that we have [] representatives at our Detachment to support the responsibilities that include the necessary engineering, loading, unloading, and maintenance of the B cameras. A cut of more than [] would seriously hamper the operational capability. We request that a total of [] be allocated.

3, 4, 5 and 6. No comment at this time.

B. Itek. Again, we feel that we need the full number of maintenance technicians as recommended. An arbitrary cut of [] technicians from [] requested would dictate a return of these cameras from our overseas location, or would otherwise seriously hamper our capability to use these cameras as desired. We recommend that the maintenance technician figure be restored to [] There is no comment on the overhaul and engineering cut nor the Delta procurement cut.

C. Perkin-Elmer. No comment.

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IV. PILOTS. No comment.

V. CONSTRUCTION, OPERATIONS & MAINTENANCE. It is requested that the Instrument Laboratory Building that will provide dust-free temperature and humidity control necessary for camera systems, avionic systems and pilot personal and pre-breathing equipment be approved. The currently used hangar and lean-to space are wholly inadequate due to the work space limitations, very limited storage facilities and

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lack of environmental control. The advent of the U-2R and the programmed electronic systems dictate that a building of this type be provided. Present program cost is []

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6. SUMMARY. A summary of IDEALIST funds by line item is as follows:

<u>Line Item</u>	<u>Approval</u>	<u>Requirement</u>	<u>Reclama</u>
LAC	[]		
Cameras			
Airborne Electronics			
Pilots			
Construction, O&M			
TOTAL			

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These IDEALIST requests do not necessarily reflect the total funding required for FY 67, but only reflect those items of significance that must be funded in the immediate future for continuity of the IDEALIST program.

H. D. SPILLER

[]
Director of Reconnaissance, CIA

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Signature Recommended:

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for)

Director of Special Activities

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BPD/Compt/OSA: (7 Oct 66)

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